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GAIN Report Number: MX1054

Mexico

Post: Mexico

June Cotton Update

Report Categories:

Cotton and Products

Climate Change

Global Warming

Biotechnology

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Report Highlights:

The Post/New marketing year (MY) 2010/11 (August/July) production, supply, and distribution estimates remain unchanged, but the Post/New MY2011/12 production forecast is revised downward slightly since the previous cotton update (see GAIN report [MX1034](#) *April Cotton Update*). There is no change to the Post forecast for trade or use. Instead, Post is lowering its ending stock forecast for MY2011/12 from the Post/Old forecast. CMCA sources indicate that the high heat and drought that prevailed across much of Mexico have had little impact on cotton production.

General Information:

Production:

With the cotton harvest concluded, the Confederation of Mexican Cotton Associations (CMCA) is preparing its preliminary final figures for MY2010/11 and expects to release the results soon. As of June 16, 2011, CMCA reported that there have been no significant effects on cotton production due to heat stress and drought in northern Mexico. CMCA adjusted its MY2011/12 forecasts of planted area, yield, and production downward to 181,369 hectares (ha), 6.16 bales/ha, and 1,118,100 bales, respectively. This downward adjustment is due to the availability of more accurate planted area data provided by regional cotton associations.

The most recent CMCA report indicates that the Chihuahua planted area will be higher than previous figures as the organization has increased its planted acreage estimate from 100,000 to 103,200 ha. As previously reported, northern Sonora will return to planting cotton in MY2011/12 and is forecast to seed 2,500 ha. However, this planted area estimate is lower than previously reported by FAS/Mexico. In total, MY2011/12 planted area increases are forecast 56.35 percent greater than the preliminary final figures for MY2010/11. CMCA sources indicate that attractive international market prices will entice producers to increase acreage in future seasons as the infrastructure to support expansion is in place and the body of knowledge regarding cotton planting already exists. Moreover, officials responsible for biotechnology in the Secretariat of Agriculture, Livestock, Rural Development, Fishery, and Food (SAGARPA) are indicating that requests and permits for seeding biotech cotton in the next marketing year are going to be significantly higher than previous years.

Table 1. Mexico: Cotton Production by State/Region for MY2011/12

Region	Planted Area (Ha)	Yield (Bales/Ha)	Production (Bales)
Northern Sonora	2,500	5.0	12,500
Southern Sonora	12,300	5.5	67,650
Mexicali, Baja California	32,569	6.5	211,700
Juarez, Chihuahua	19,600	6.0	117,600
Ascencion, Chihuahua	45,000	6.0	270,000
Meoqui, Chihuahua	3,600	5.5	19,800
Ojinaga-Aldama, Chihuahua	35,000	6.5	227,500
La Laguna	25,000	6.5	162,500
Northern Tamaulipas	5,000	5.0	25,000
Sinaloa	800	5.0	4,000
TOTAL	181,369	6.16	1,118,100

Consumption:

The Post/New consumption forecast for MY2011/12 remains unchanged.

Trade:

The Post/New MY2011/12 import and export forecasts remain unchanged, as well.

Stocks:

MY2011/12 ending stocks figures were revised downward 2.7 percent, to 874,000 bales due to recent data issued by CMCA. The Post/New MY2010/11 ending stock estimate remains unchanged at 981,000 bales.

Production, Supply and Demand Data Statistics :

Table 2. Mexico: Production, Supply, and Distribution (PS&D)

Cotton Mexico	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Aug 2009		Market Year Begin: Aug 2010		Market Year Begin: Aug 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	69	0	116		181
Area Harvested	70	69	110	116		180
Beginning Stocks	764	764	579	841		981
Production	422	411	683	713		1,118
Imports	1,393	1,600	1,350	1,600		1,300
MY Imports from U.S.	0	1,420	0	1,600		1,300
Total Supply	2,579	2,775	2,612	3,154		3,399
Exports	75	100	200	200		200
Use	1,900	1,800	1,900	1,948		2,300
Loss	25	25	25	25		25
Total Dom. Cons.	1,925	1,825	1,925	1,973		2,325
Ending Stocks	579	841	487	981		874
Total Distribution	2,579	2,775	2,612	3,154		3,399

Author Defined:

For More Information

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work

<http://www.youtube.com/user/ATOMexicoCity>

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX1034	April Cotton Update	4/29/2011
MX1025	2011 Cotton Annual	4/1/2011
MX1018	February Cotton Update	3/15/2011
MX1008	December Cotton Update	2/01/2011
MX0077	Cotton Situation – October Update	10/25/2010
MX0062	Cotton Situation – September Update	9/10/2010

MX0038	July Cotton Update	6/15/2010
MX0021	Cotton and Products Annual	4/14/2010

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx , equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.